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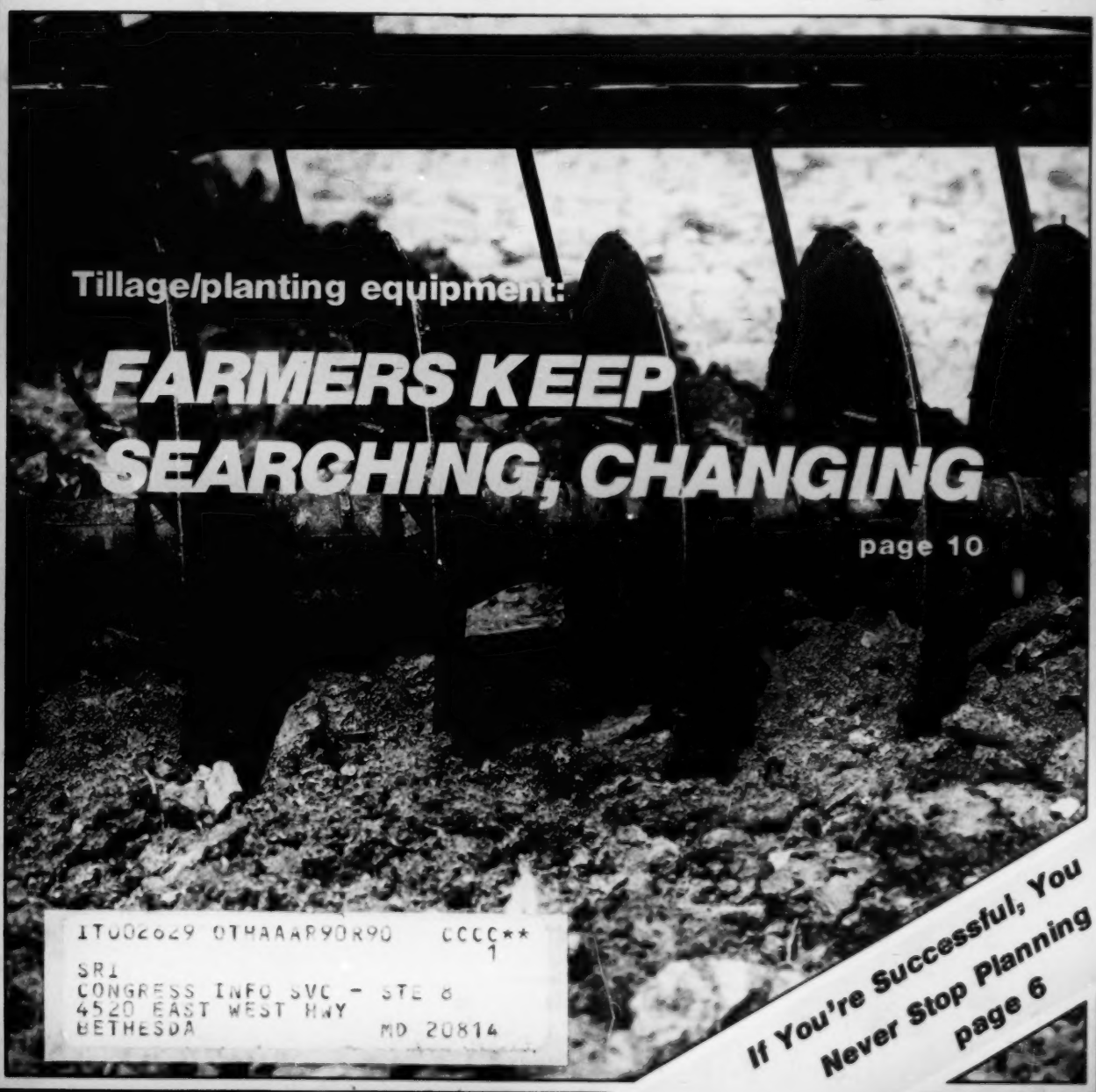
I&T 100 YEARS OF LEADERSHIP

Implement & Tractor

The business magazine of the farm and industrial equipment industry January 1988

Shortliners vs. Longliners pages 4, 21



Tillage/planting equipment:

FARMERS KEEP SEARCHING, CHANGING

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If You're Successful, You Never Stop Planning

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I&T 100 YEARS OF LEADERSHIP

Implement & Tractor

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Our Cover Story

In interviews with tillage experts around the country, I&T learned that the practice of top farm managers is to continuously change their tillage practices to match their own changing conditions.

10

Features

6: **Realistic. Achievable.** Those are just two of the characteristics California dealer Jim Anderson says are necessary components of successful planning. And as a business grows, he says, the pressure to have a good plan is even greater.

13: **These two** South Carolina dealers take very different approaches in compensating their salesmen. One is salary-criented; the other is commission-oriented.

21: **It's clear** that shortline manufacturers and their dealers are thinking hard about dealerships and their own access to them. *I&T* reports on several roundtable discussions of this situation.

24: **Despite solid** sales increases for 1987 and optimism for 1988, people in the shortline equipment industry expect that segment's comeback trail to be a long one.

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Tractor Sales Pulled About Even in October

Retail sales of farm tractors in the first 10 months of 1987 were just about level with those of 1986 after several strong sales months, according to Farm & Industrial Equipment Institute's October flash report. Unit volume for the year was off by only 1.7 percent after large sales surges in the over-100-hp brackets in the third quarter. October tractor volume was up in most categories.

Unit Retail Sales

Equipment	October 1987	October 1986	% Change	January-October 1987	January-October 1986	% Change
Farm Wheel Tractors:						
2-Wheel Drive						
Under 40 hp	5,072	5,300	(4.3)	53,455	54,648	(2.2)
40 & Under 100 hp	3,379	3,168	6.7	25,712	26,480	(2.9)
100 & Under 140 hp	613	571	7.4	4,208	4,446	(5.4)
140 hp & Over	1,325	1,081	22.6	8,969	8,118	10.5
Total 2-Wheel Drive	10,389	10,120	2.7	92,344	93,692	(1.4)
4-Wheel Drive						
Under 200 hp	105	69	52.2	456	451	1.1
200 hp & Over	164	179	(8.4)	819	1,120	(26.9)
Total 4-Wheel Drive	269	248	8.5	1,275	1,571	(18.8)
Total Farm Wheel Tractors	10,658	10,368	2.8	93,619	95,263	(1.7)
Combines (Self-Propelled)	1,545	1,423	8.6	5,416	6,569	(17.6)
Balers (Bales under 200 lbs)	289	312	(7.4)	5,001	5,345	(6.4)
Forage Harvesters (Shear Bar Type)	301	386	(22.0)	2,042	1,891	8.0
Mower Conditioners	649	688	(5.7)	10,430	10,055	3.7

Deere Offers Patents On Safety Device

Deere & Co. has announced that it has made available at no cost to the farm equipment industry its patents on a transmission device that reduces accident risks.

The transmission valve, developed at Deere's Product Engineering Center at Waterloo, Iowa, prevents hydraulically activated transmission clutches from engaging unless the clutch pedal has been depressed and released by the operator following each start.

Injuries have happened when operators started their tractors by bypassing normal circuitry while standing on the ground. If the transmission is in gear, the tractor will start, endangering the person on the ground. The device in the clutch hydraulic circuit won't allow the machine to move following a start.

Ritchie Industries Acquires Best Way

Ritchie Industries, Inc., Conrad, Iowa, a manufacturer of livestock watering equipment, has acquired Best Way, Inc., Clear Lake, Iowa, according to Cliff Wilson, Ritchie president.

Canadians Expect Improvement in Sales

Retail sales of farm equipment in Canada are expected to improve in 1988 after a tough 1987, according to the Canadian Farm & Industrial Equipment Institute.

In November, participating manufacturers estimated that farm tractor sales for 1987 would finish out at 17,393 units, down 11 percent from the 1986 level of 19,635 units. They expect a modest increase in 1988 to 17,805 units sold.

In 1987, the front-wheel-assist feature was sold on 58 percent of the 16,509 two-wheel-drive tractors sold. The percentage is expected to hold in 1988 with sales of 16,892 two-wheeler units.

Self-propelled combine sales fell sharply in 1987 to 1,531 units from the 2,820 sold in 1986. A slight recovery is expected in 1988: 1,580 units.

Pull-type combine sales were also down severely in 1987 at 533 units compared with 1986's 1,017. They predict sales of 542 units for 1988.

Self-propelled swathers: 1,521 sold in 1986; 917 in 1987; projected for 1988—930 units.

Pull-type swathers: 1,519 sold in 1986, 1,367 in 1987. Projected for 1988—1,383.

Big balers: 3,163 sold in 1986; 3,320 sold in 1987. Expected sales in 1988—3,270 units.

Conventional balers: 1,680 sold in 1986, 1,570 in 1987. Projected for 1988—1,589.

Forage harvesters (shear type): 528 sold in 1986, 512 in 1987. For 1988—513.

Mower-conditioners: 2,568 sold in 1986, 2,580 in 1987. Predicted for 1988—2,557.

Moldboard plows: 422 sold in 1986, 525 in 1987. For 1988—511 sales predicted.

Chisel plows: 841 sold in 1986, 983 in 1987. Expected in 1988—1,000.

Grain drills—3,049 sold in 1986, 2,600 in 1987. For 1988—2,601.

Corn planters: 472 in 1986, 320 in 1987. For 1988—348.

Disk harrows: 687 sold in 1986, 645 in 1987. The 1988 outlook—576 units sold.

Manure spreaders: 1,865 units in 1986, 1,708 in 1987. For 1988: 1,712.

Grinder-mixers: In 1986, 279 sold; in 1987, 225. For 1988—225 units.

The information was presented at CFIEI's annual meeting Nov. 19 in Toronto by Lawrence Ruud, John Deere Ltd., and Jerry McLeod, J I Case Canada. Cited as positive indicators for the future farm equipment market were:

Farm income, expected to be up 14 percent from the 1986 level because of a strong livestock sector and government support.

Debt reduction by farmers. Debt peaked in 1985 at $22.1 billion (Canadian) and at the end of 1987 is believed to be down to just over $21 billion.

Livestock sector. Inventories are stabilizing and heifer retention is up, holding slaughter prices strong. Feed costs are lower.